BDO HIGH STREET SALES TRACKER

APRIL MONTHLY REVIEW - the four weeks to 24 April 2016

6 May 2016

April's declining sales lead to worst result since 2009

TOTAL (excl non-store)

-6.1%

April 2015: +0.4%

- April's like-for-like sales fell by a staggering six percentage points (-6.1%) compared to the same month last year, leading to the worst monthly LFL figure since February 2009 (-8.1%) when the UK was in the midst of a global economic crisis. After the mild decline in sales experienced in March, retailers started April with high hopes. Seasonal discounting and soft spring line launches led to a slight mid-month boost, however significant post Easter sales didn't emerge as hoped with consumers opting to shun the high street and retail spending in general.
- The month remained in the doldrums as fashion continued to decline at a rapid pace ending the month with negative LFL figures of more than 10% in weeks 16 and 17 while sales in lifestyle and homewares veered sharply with strong results in weeks 15 and 16 after a weak start to the month.
- April ended with two stalwarts of the high street, BHS and Austin Reed, going into administration. Both chains cited challenging market conditions which impacted on margins and cash flow. Commenting on the demise of Austin Reed, Jon Copestake, chief retail analyst at Economist Intelligence Unit, said that the last year had seen the highest reported number of profit warnings amongst UK retailers since the economic crisis.
- Despite the on-going gloom 117 retailers surveyed by the CBI in April 2016 stated that they expected sales to be stronger in May, with a balance of 9%, although this is still well below the long-term average of 24%. However, retailers still have every reason to remain concerned with the implementation of the National Living Wage, upcoming Brexit vote, the weak pound, changeable weather, poor footfall and consumers opting to spend disposable income on leisure and entertainment keeping the pressure on.

LIFESTYLE

-0.20%

April 2015: -4.4%

- Sales of lifestyle goods fell by -0.20% in April ending a streak of positive LFL sales which started in January 2016. The category started the month with its lowest weekly result (-10.21%) before targeted discounting helped boost sales in the middle of the month (+7.32% in week 15 and +3.32% in week 16).

FASHION

-9.20%

April 2015: +2.0%

- Fashion continued to underperform, contributing not only the poorest result of the month, but also the worst monthly result since February 2009 as LFL sales fell -9.20% in April. LFL sales remained negative throughout the month, spiralling to a significant decline in the last two weeks of the month as seasonal discounting came to an end.

HOMEWARES

+17.80%

April 2015: +4.5%

- Homewares had the strongest month overall (+17.80%) with positive weekly sales throughout the month including a stunning result of +42.80% in week 15. Spring DIY, seasonal decorating and targeted discounting helped drive the surge in sales.

NON-STORE

+16.40%

April 2015: +23.3%

- Consumers may have opted to move away from the high street, but they remain active online as sales were up +16.40% in April. After a strong start to the month, online sales in the last two weeks of the month performed less strongly as in previous weeks, below the usual +20% LFL figure, as the end of seasonal discounting meant consumers bought less even online.

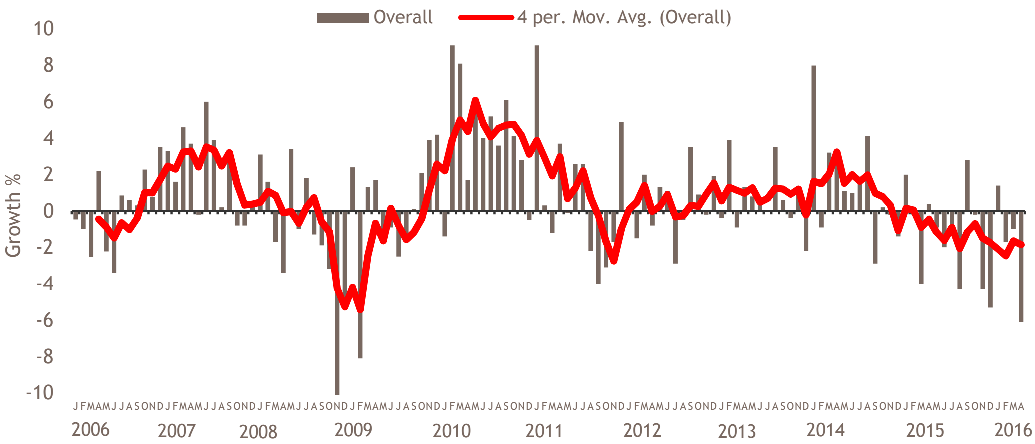
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across **Fashion:** accessories, clothing, footwear. **Lifestyle:** general household goods, gifts, health and beauty, leisure goods. **Homewares:** cookware, furniture and floorcoverings, lighting, linen and textiles. **Non-store:** mail order, online and other non-store channels.

BDO

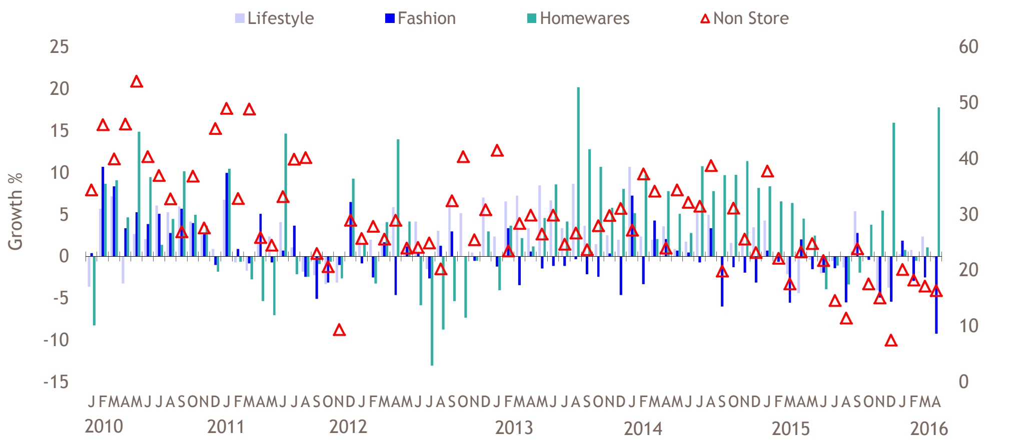
MONTHLY LIKE-FOR-LIKE RESULTS APRIL 2016

LFL Growth %	Week 14 (we 3/4)	Week 15 (we 10/4)	Week 16 (we 17/4)	Week 17 (we 24/4)	Total April
Lifestyle	-10.21	7.32	3.32	-2.01	-0.20
Fashion	-9.59	-3.24	-11.96	-11.71	-9.20
Homewares	7.70	42.80	13.05	12.60	17.80
Non-store	18.55	21.12	13.30	12.83	16.40
Total (excl non-store)	**-9.35**	**0.69**	**-7.00**	**-8.73**	**-6.1**

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2016



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2010-2016



Further Information: Tracey Fordham; tracey.fordham@bdo.co.uk, tel: 020 7893 2015